



Cleveland District Office News

Information for the Small Business Community

December 2007

U.S. Small Business Administration
Cleveland District Office

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December 2007 Newsletter
In this issue:

Loan Report **Page 1**

News for Our Lending Partners **Page 2**

**Drought-Impacted Small Businesses Offered
SBA Low-Interest Loan Relief** **Page 4**

**SBA Region V Administrator Pat Rea Speaks at
Growth Capital's Annual Meeting** **Page 5**

Pat Rea Visits Cleveland District Office **Page 6**

**Peru Trade Agreement Hailed by SBA
Administrator** **Page 7**

**Vigorous Response to SBA Call for Nominations
of Federal Rules in Need of Review and Reform** **Page 7**

IRS Gives Upcoming Talk for Businesses **Page 7**

Small Business Makes Ohio a Great Place to Live **Page 8**

For More Information
SBA Home Page: www.sba.gov

- SBA offices are located in all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Guam.
- SBA Answer Desk: 1-800 U ASK SBA
- E-mail: answerdesk@sba.gov
- TDD: 704-344-6640
- Your rights to regulatory fairness: 1-800-REG-FAIR

LOAN REPORT as of November 30, 2007

**Total Loan Volume – NOVEMBER 2007
(7(a) and 504 Combined)**

Bank	Number of Loans	Dollars (In Thousands)
National City Bank	47	\$4,535
Charter One Bank/RBS Citizens	45	\$1,386
Huntington National Bank/Sky Bank	24	\$5,414
FirstMerit Bank	15	\$1,466
JP Morgan Chase Bank	15	\$2,413

504 Loans

Bank	Number of 504s
Community South Bank	2
FirstMerit Bank	2
National City Bank	2
Fifth Third Bank	1
First Financial Bank	1
JP Morgan Chase Bank	1
Lake National Bank	1
Lorain National Bank	1
Ohio Commerce Bank	1
Park View Federal Bank	1
Temecula Valley Bank	1
Western Reserve Bank	1

CDC	Number of Approvals	Dollars (In Thousands)
Growth Capital Corp.	5	\$1,382
Cascade CDC, Inc.	3	\$2,043
Community Capital Corp.	2	\$1,498
Lake County SBAC	2	\$758
Mentor Economic Assistance Corp.	1	\$140
Sem Resource, Inc.	1	\$1,995
West Central Partnership	1	\$115

NEWS FOR OUR LENDING PARTNERS

- Updated Internal Revenue Service (IRS) Contact Information and 4506-T**

The following tables provides updates of the contact points and telephone numbers for IRS Service Centers, which are to be used to request copies of IRS tax transcripts to verify business financial information included in SBA loan applications. This Notice applies only to the 7(a) and 504 Loan Programs.

Table I provides contact information for tax transcripts associated with Form 1040 series and Form W-2. The Table II provides contact information for transcripts associated with Form 1065 and Form 1120 series.

Lenders are also reminded that all SBA 7(a) and 504 related requests for IRS tax transcripts must be submitted to IRS Service Centers using the new IRS Form 4506-T. A copy of Form 4506-T is available on SBA's Intranet site (<http://yes.sba.gov/forms/>) and the SBA Banking site (<http://www.sba.gov/banking/>). Please note that SBA's logo must be included at the top of the form to ensure SBA related requests are expedited and to ensure there will be no charge for the transcripts.

*Table I: IRS Service Campus Addresses, Managers, and Phone Numbers
(Form 1040 series and Form W-2)*

IRS CAMPUS	ADDRESS	MANAGER	PHONE	
ANDOVER	310 Lowell St. Stop 679 Andover, MA 01810	David Kuykendall – Manager Peter R St. Pierre – Lead Amanda Walton-Lead	978-247-9251 978-247-9250	978-247-9255 978-247-9256 978-247-9257
Atlanta	4800 Buford Hwy. Stop 91 Chamblee, GA 30341	Cindy Hardigree – Manager Tammy Nutt - Lead	770-455-2320 770-455-2325	770-455-2412
Austin	3651 S. Interregional Hwy. Stop 6716 Austin, TX 78741	Suzanne Terrill – Manager Angel Hsu - Lead	512-460-2255 512-460-2888	512-460-2272
Cincinnati	P.O. Box 145500 Stop 2800F Cincinnati, OH 45250	Christina Pickett – Manager Virginia True - Lead	859-669-2126 859-669-3585	859-669-3592
Fresno	5045 E. Butler Ave Stop 37106 Fresno, CA 93727	Team 1 Helen Cabera – Manager Linda J Wade – Lead Team 1 Team 2 Kim Rockwell – Manager Rosa Torres – Lead Team 2	559-456-5888 559-456-5889 559-456-5891 559-456-5892	559-456-5876
Kansas City	333 W. Pershing Rd. Stop 6705 S-2 Kansas City, MO 64108	Latifa Hisham – Manager Stacy D Williams – Lead Brian Duffy – Manager Josephine M. Brown – Lead	816-325-3719 816-325-3440 816-325-3718 816-325-3721	816-292-6102
Ogden	P.O. Box 9941 Stop 6734 Ogden UT 84409	Amy Gardiner – Manager Veronica Tenorio- Lead	801-620-7868 816-620-7873	801-620-6922

Revised 10/2007

(Continued on page 3)

NEWS FOR OUR LENDING PARTNERS (Continued from page 2)

Table II: All other Transcripts

(Form 1065 and 1120 series)

If individual lived in or the business was in:	Mail or fax to the Internal Revenue Service at:	Manager	Phone	Fax
Alabama, Alaska, Arizona, Arkansas. California, Colorado, Florida, Georgia, Hawaii, Idaho, Iowa, Kansas, Louisiana, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Tennessee, Texas, Utah, Washington, Wyoming	RAVIS Team Mail P.O. Box 9941 Stop 6734 Ogden, UT 84409	Amy Gardiner	801-620-7868	801-620-6922
Connecticut, Delaware, District of Columbia, Illinois, Indiana, Kentucky, Maine, Maryland, Massachusetts, Michigan, New Hampshire, New Jersey, New York, North Carolina, Ohio, Pennsylvania, Rhode Island, South Carolina, Vermont, Virginia, West Virginia, Wisconsin	RAVIS Team P O Box 145500 Stop 2800F Cincinnati, OH 45250	Christina Pickett	859-669-2126	859-669-3592

Revised 10/2007

(Continued on page 4)

NEWS FOR OUR LENDING PARTNERS (Continued from page 3)

- **SBA announces approval process change for loan increases and decreases**

SBA is pleased to announce a policy change dealing with increases and decreases to PLP, *SBAExpress*, *Export Express* and *CommunityExpress* loans. The change will permit one SBA financial analyst to complete the processing of a request from a PLP, *SBAExpress*, or *CommunityExpress* lender to increase a PLP, *SBAExpress*, *Export Express* or *CommunityExpress* loan (before and after disbursement) or to decrease a PLP, *SBAExpress*, *Export Express* or *CommunityExpress* loan before initial disbursement. The actions covered are as follows:

- For PLP loans, an increase to the loan amount initially approved up to a maximum of 20 percent. The request from the lender must be made within 18 months after approval.
- For *SBAExpress*, *Export Express* or *CommunityExpress* loans, an increase to the loan amount initially approved up to the program maximum that was in effect at the time the *SBAExpress*, *Export Express* or *CommunityExpress* loan was approved. There is no time limit, except that revolving lines of credit under *SBAExpress*, *Export Express* or *CommunityExpress* are limited to 7 years, so any increase would have to be within 7 years of approval.
- For PLP, *SBAExpress*, *Export Express* or *CommunityExpress* loans, a decrease to the approved loan amount prior to closing and initial disbursement.

In addition, the changes provide clarification regarding increases and decreases and the resulting guaranty fees owed. **If you have any questions about either of these important notices, please contact our Lender Relations Division at (216) 522-4180.♦**

SBA Offers Low – Interest Disaster Loans to Small Businesses Impacted by Drought

Atlanta, Ga. - The U.S. Small Business Administration (SBA) is reminding the public that federal disaster loans are available to small businesses and small agricultural cooperatives located in parts of Alabama, Delaware, Florida, Georgia, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Mississippi, New Jersey, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia, Wisconsin and the District of Columbia, as a result of damages and losses to crops caused by drought conditions that occurred in 2007. These federal loans are available because the SBA issued disaster declarations to assist small businesses affected by the same events impacting farmers, which were previously declared by the Secretary of Agriculture.

SBA's Economic Injury Disaster Loan program is available to farm-related and nonfarm-related small business concerns and small agricultural cooperatives that suffered economic injury as a direct result of these drought disaster declarations. Farmers and ranchers are not eligible to apply to SBA, but nurseries are eligible to apply for economic injury disaster loans for losses caused by drought conditions. Eligible small businesses and small agricultural cooperatives may qualify for loans up to \$1.5 million. These loans are available at a 4 percent interest rate with loan terms up to 30 years. SBA determines eligibility for the program based on the size and type of business and its financial resources. Loan amounts and terms are set by SBA and are based upon each applicant's financial condition. Under this disaster declaration, SBA cannot provide loans to agricultural producers.

Interested business owners can contact SBA to determine if the drought disaster declaration includes their county by calling SBA's Customer Service Center at 1-800-659-2955 (1-800-877-8339 for the hearing-impaired) Monday through Friday from 8 a.m. to 10 p.m.; Saturday and Sunday from noon to 10 p.m. (EST). Customer Service Representatives are available to answer questions and can mail the SBA disaster business loan applications. Business loan applications can also be downloaded from the SBA's website at www.sba.gov/services/disasterassistance. Completed applications should be mailed to: U.S. Small Business Administration, Processing and Disbursement Center – 14925 Kingsport Road, Fort Worth, TX 76155. For more information about the SBA's Disaster Loan Programs, visit our website at www.sba.gov/services/disasterassistance.♦



SBA Cleveland District Office District Director Gil Goldberg and SBA Region V Regional Administrator Patrick Rea.



Marsha Powers, President and CEO of Powers Financial Group and Jonathan Green, President of Growth Capital Corporation.



Cherie Dimmerling, President, Mortgage-Doctors.com; Charles Ciuni, Partner, Ciuni and Panichi, Inc.; Garth Woodson, Assistant Vice President of Development Finance, Cleveland Cuyahoga Port Authority; Fran Riemer, Vice President, Huntington National Bank

Patrick Rea, SBA Region V Administrator, Keynotes at Growth Capital's Annual Meeting

Growth Capital Corp. announced its 2007 Bank of the Year Award, Emerging Bank of the Year Award, Economic Development Achievement Award winners, and recapped the year's achievements during its 25th Anniversary Annual Meeting and Awards Dinner held at the Cleveland Hilton Garden Inn on November 9, 2007. Patrick E. Rea, SBA's Midwest Regional Administrator, gave the keynote address at the meeting. Gil Goldberg, District Director of SBA's Cleveland District office provided the introduction. Mr. Rea, who has been a Regional Administrator for the SBA since 2003 and has responsibility for the states of Ohio, Illinois, Indiana, Michigan, Wisconsin, and Minnesota, spoke about the economic conditions and concerns in the Midwest states.

Growth Capital Corp., who is also an SBA Certified Development Company which administers the 504 loan program, approved 56 loans for a total of \$22 million, the largest total loan amount since its founding in 1982. The projects supported by these loans totaled a record high for the organization of \$59.1 million in development activity for Greater Cleveland, which is projected to create 400 new jobs over the next two years. "We are proud of our accomplishments, Growth Capital provided loans to the region's small businesses enabling them to add jobs and expand their businesses," said Jonathan Green, president of Growth Capital and managing partner of JM Green CPA Group. "These efforts are critical to the growth of our Ohio's economy."

The Bank of the Year Award recognizes the lending institution that has originated the most SBA 504 and Ohio Regional 166 loans with Growth Capital Corp. during 2007. National City Bank received Growth Capital's 2007 Bank of the Year Award. It had Fifteen loan approvals with Growth Capital for a total of \$5,113,000. The Emerging Bank of the Year Awards went to Ohio Commerce Bank and First Place Bank. The award recognizes the bank that originated a loan during the year utilizing the SBA 504 program or the Ohio Regional 166 program through Growth Capital Corp. for the first time.

(Continued on page 3)



John Kropf, Executive Director of Growth Capital and Juan Hernandez, Business Development Director of Growth Capital.

SBA Regional Administrator Speaks at Growth Capital's Annual Meeting

(Continued from page 2)

The Lender of the Year Award recognizes the lender that has originated the most SBA 504 and Ohio Regional 166 loans with Growth Capital Corp. during 2007. Gina Burbules from National City Bank received Growth Capital's 2007 Lender of the Year Award. She had three loan approvals with Growth Capital.

PMC Gage, Inc. was honored with Growth Capital Corp.'s Economic Development Achievement Award. Growth Capital and Chase Bank, through two Ohio Regional 166 loans; funded the company's equipment expansion purchase. In the span of only 7 years, PMC Gage, Inc. located in Willoughby, Ohio has grown from a single employee to its current level of 40 employees and has positioned itself as a premier leader in the manufacture and calibration of high quality gages, metrology equipment, and instruments in Northeast Ohio. The Economic Development Achievement Award winner was chosen from companies that received financing through Growth Capital Corp. and have shown excellence in jobs creation, performed well financially, and have contributed to their communities through their growth. ♦

Patrick Rea Visits SBA Cleveland District Office

Patrick E. Rea, SBA's Midwest Regional Administrator, who was in Cleveland for the Growth Capital Annual Meeting and a Bankers' Roundtable, also found time to visit the staff at the Cleveland District office on November 8, 2007. Pat talked and took questions from the SBA staff about agency issues, Midwest and Ohio economic conditions, SBA loan programs, employee training, natural disasters, and disaster preparedness issues. Pat, in addition to his regular duties, has also spent time as SBA's Disaster Czar, so he has a wealth of knowledge and interesting information about disasters such as hurricanes, earthquakes, and pandemic flu. The SBA staff enjoyed his visit and his timely comments. ♦

Did you know?

Of the \$1,900,000 in FY '07 SBA loans facilitated by the Cleveland District Office, 35% were made to new businesses, and 46% went to firms in the service industry.



SBA Region V Regional Administrator, SBA District Director Gil Goldberg and members of the Cleveland District Office staff.

SBA Chief Hails Passage of Peru Trade Promotion Agreement

Steve Preston, Administrator of the U.S. Small Business Administration, made the following statement regarding the U.S. Senate's approval of the Peru Trade Promotion Agreement:

"I applaud the U.S. Senate for working in a bipartisan manner to pass the Peru Trade Promotion Agreement, following last month's approval in the House. The agreement will level the playing field for American small businesses by giving them the same duty-free access that Peruvian businesses have to the U.S. market. It will also help generate job growth by opening new opportunities to entrepreneurs seeking expansion into this important market.

"Peru already plays a significant role in the America's small business marketplace. In 2005, 38 percent of exports from the U.S. to Peru were by small and medium-sized businesses, notably higher than the 29 percent small and medium-sized business share of U.S. exports to the world. Under this agreement, previous tariffs will be removed and trade will expand between the two countries.

"International trade is becoming an increasingly important avenue for small business growth, with the number of U.S. small and medium-sized businesses that export more than doubling from 1992 to 2005. We must continue pursuing further opportunities to improve market conditions for small business exporters so they can compete in a global marketplace. I welcome today's vote and encourage Congress to work cooperatively again to pass Free Trade Agreements with Colombia, Panama and South Korea."♦

SBA Cleveland District Office Program Staff

Gil Goldberg, District Director

Richard Lukich, District Counsel

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James Donato, Manager and Public Information Officer
Timothy Ensich, Lender Relations Specialist
Mark Hansel, Lender Relations Specialist
Thomas Sangrik, Lender Relations Specialist

International Trade:

Patrick Hayes, Export Finance Manager

Business and Economic Development

James Duffy, ADD/Manager
John Renner, Business Development Specialist
Sonya Wagasky, Business Development Specialist

IRS's January 8th Tax Talk Today Program Gives Small Businesses a Head Start on the Upcoming Tax Filing Season

The 2008 filing season is right around the corner. The IRS's January Tax Talk Today (TTT) program, "Getting Ready for the Filing Season 2008: Part 2 (Businesses)", on Tuesday, January 8, 2008 at 2 p.m. will give tax professionals, their clients, and small business owners a head start. This annual program picks up where the December program ended ("Getting Ready for the Filing Season 2008: Part 1 (Individuals)"). The show's panel of experts will discuss business tax return issues for small businesses and self-employed taxpayers, recent tax law changes and updates for the 2007 tax year, IRS regulations, business credits, common errors, and processing issues which impact filing business returns for the 2007 tax year. The one-hour live programs begin at 2 p.m. ET on the second Tuesday of each month except April and August. In addition to viewing live Webcasts and archived programs, listening to audio podcasts and reading show transcripts, subscribers can order audio and video recordings from the Tax Talk Today Web site. To access the Webcast at no charge, viewers can register online at www.TaxTalkToday.tv. Tax Talk Today can be viewed with Windows Media Player and Real Player. Both players are free software that may already be installed on your computer. If not, click the link for Installing System Software to view Internet Broadcast under "How to View." To learn about the availability of IRS products and services, subscribe to IRS's e-News for Small Businesses. To see a representative sample and to start a free subscription to e-News, just go to IRS.gov at <http://www.irs.gov/businesses/small/content/0,,id=154826,00.html>, type in your e-mail address and submit. ♦

Small Business Responds to Call for Nominations of Federal Rules in Need of Review and Reform

December 31 Deadline For Nominations

Small businesses and their representatives have eagerly responded to the Office of Advocacy's call for nominations of federal rules in need of review and reform. Nominations have been received from across the country since the announcement of the Regulatory Review and Reform (r3) initiative. "We are excited about the initial response to our r3 initiative," said Thomas M. Sullivan, Chief Counsel for Advocacy. "Clearly, small business owners are concerned about the burden placed on them by regulations that may be outdated or unwieldy. More importantly, they are doing more than complaining; the small business community is making constructive suggestions for how to improve current rules."

Advocacy research shows that complying with all federal regulations now costs our economy \$1.1 trillion per year - more per household than the cost of healthcare. The smallest of businesses bear the brunt of the business regulations. They annually pay 45 percent more per employee to comply with federal regulations than big businesses do. The Office of Advocacy of the U.S. Small Business Administration is still seeking nominations of federal rules in need of review and reform. The "Top 10" rules nominated by small business owners, trade associations, and others will be transmitted to appropriate federal agencies for review and reform. Nominate regulations needing review and reform by visiting the Office of Advocacy r3 website at www.sba.gov/advo/r3, by sending an email to advocacy@sba.gov, or by calling Keith Holman at (202) 205-6936. Nominations are due by December 31, 2007. The r3 initiative addresses many of the issues raised in a recent GAO report, *Reexamining Regulations: Opportunities Exist to Improve Effectiveness and Transparency of Retrospective Reviews*. The report spotlighted implementation of section 610 of the Regulatory Flexibility Act, which mandates that agencies periodically examine their existing regulations to measure changing impacts on small business. ♦

Small Business Makes Ohio a Great Place to Live

By Ray Marchiori, SBA Region V Advocate

What makes a neighborhood, a community, a city, and a state vibrant, alive, and a great place to live? What gives a place that special flavor, what makes it unique and a good place to work and raise a family? In large part, local small businesses give a community its character, its sense of growth, and its optimism.

This is especially true in Ohio. The most recent data shows just how important small business is to Ohio families. Here, small business continues to create new jobs. According to the recently released Small Business Profile for the States and Territories by the Office of Advocacy of the U.S. Small Business Administration, small businesses added 39,200 net new jobs in 2004, the latest period studied.

But as they say in the infomercials, "that's not all!" The updated profile also shows that in 2006, Ohio had an estimated 920,500 small businesses, of which 223,400 were employer firms. Those small businesses employed 49.6 percent of the state's non-farm private workforce (in 2004).

Further, diversity of business ownership is bringing more of the state's minorities and women into the economic mainstream. The data documents that Ohio has 13,700 Asian-owned firms, 35,700 Black-owned firms, 7,100 Hispanic-owned firms, 3,100 Native American-owned firms, and 230 Native Hawaiian and Pacific Islander-owned firms. Moreover, women-owned firms total 230,000 and generate \$32.3 billion in revenue (all in 2002, the latest year available).

The 22,213 new firms with employees in 2006 showed just how optimistic Ohio's entrepreneurs are about the future. More importantly, those firms are driving the economy. Office of Advocacy research has shown that new business creation is key to the state's ability to increase gross state product, state personal income, and total state employment.

Unfortunately, because the businesses are small and individually don't appear to be important, policy makers tend to overlook them when discussing and implementing regulatory, tax, and economic proposals. Because they are overlooked, some do not understand how their programs, rules, and regulations can harm small business. The result is that small business faces an uneven playing field. According to Advocacy research, just complying with federal regulations costs the nation's smallest firms \$7,647 per employee each year. That is 45 percent more than the per-employee costs of their larger counterparts.

As the years have gone by, the total annual federal regulatory burden on the economy has grown to enormous proportions. Complying with all federal regulations now costs our economy \$1.1 trillion per year -- that's more per household than the cost of healthcare.

It's time to help lighten that load by streamlining and updating outdated and ineffective regulations.

The Office of Advocacy's new Regulatory Review and Reform initiative (r3) does just that. The initiative encourages small business stakeholders to identify current rules that are outdated or ineffective and recommend targeted reforms.

The result will be an annual "Top 10" list of current regulations that are ripe for reform. Advocacy will work with the relevant federal agencies to make sure they understand the impact of those current regulations on small business. In addition, we will provide them with training in how to review and reform outdated and ineffective rules.

We are calling for nominations of federal rules and regulations in need of review and reform, and we need your help to make r3 a success. Nominations are due by December 31, 2007. You can make them by visiting the r3 website at www.sba.gov/advo/r3, sending an email to advocacy@sba.gov, or calling Keith Holman at (202) 205-6936.

Small business is what makes neighborhoods, communities, and states strong. Small business creates jobs, develops innovative products and services, and brings diversity to our economy. By leveling the playing field and supporting small business with regulatory relief through the r3 initiative, we can keep our communities a great place to live for our children and grandchildren. ♦

Over the past decade, small businesses created 60 to 80 percent of the net new U.S. jobs.

In the most recent year with data (2004), small firms accounted for all of the net new jobs. Firms with fewer than 500 employees had a net gain of 1.86 million new jobs. Large firms with 500 or more employees lost more jobs than they created, for a net loss of 181,122 jobs. For information on employment dynamics by firm size from 1989 to 2004, see www.sba.gov/advo/research/data.html#us. Source: U.S. Dept. of Commerce, Bureau of the Census. The SBA's Office of Advocacy was created by Congress in 1976 to protect, strengthen, and effectively represent the nation's small businesses within the federal government. As part of this mandate, the office conducts policy studies and economic research on issues of concern to small business and publishes data on small business characteristics and contributions. Updated August 2007. ♦